

SERFF Tracking Number:	ALSX-125115551	State:	Arkansas
Filing Company:	Encompass Indemnity Company	State Tracking Number:	AR-PC-07-023302
Company Tracking Number:	PPAAR0028313R01		
TOI:	19.0 Personal Auto	Sub-TOI:	19.0004 Other
Product Name:	Classic Auto Program		
Project Name/Number:	Rule Filing/AR ER-0469		

## Filing at a Glance

Company: Encompass Indemnity Company

Product Name: Classic Auto Program

TOI: 19.0 Personal Auto

Sub-TOI: 19.0004 Other

Filing Type: Rate

SERFF Tr Num: ALSX-125115551

SERFF Status: Closed

Co Tr Num: PPAAR0028313R01

Co Status:

Author: SPI AllState

Date Submitted: 02/26/2007

State: Arkansas

State Tr Num: AR-PC-07-023302

State Status:

Reviewer(s): Michelle Fahey, Alexa Grissom, Betty Montesi

Disposition Date: 05/24/2007

Disposition Status: Filed

Effective Date (New): 08/01/2007

Effective Date (Renewal):

Effective Date Requested (New): 07/01/2007

Effective Date Requested (Renewal): 07/01/2007

State Filing Description:

## General Information

Project Name: Rule Filing

Project Number: AR ER-0469

Reference Organization:

Reference Title:

Filing Status Changed: 03/13/2008

State Status Changed:

Corresponding Filing Tracking Number:

Filing Description:

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

With this filing, we are submitting various manual rule revisions and rate introductions for new higher limits.

The Encompass Indemnity Company would like to file the following manual rule revisions.

### RULE REVISIONS

State Exception Manual Rule 10.D.2 is revised to state that this coverage does not apply to an insured while occupying any motorized vehicle having fewer than four wheels.

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Additionally, Medical Payment Coverage limits of \$1,000; \$2,500; and \$5,000 are being introduced.

## RATE REVISION

Rate page, RATES - 1, is revised to introduce rates for medical payment limits of \$1,000; \$2,500; and \$5,000.

## Company and Contact

### Filing Contact Information

Carrie Deppe, Assistant State Filings Manager cdepp@allstate.com  
2775 Sanders Road (847) 402-2774 [Phone]  
Northbrook, IL 60062 (847) 402-9757[FAX]

### Filing Company Information

Encompass Indemnity Company CoCode: 15130 State of Domicile: Illinois  
2775 Sanders Road Group Code: 8 Company Type:  
Suite A5  
Northbrook, IL 60062 Group Name: State ID Number:  
(847) 402-5000 ext. [Phone] FEIN Number: 59-2366357  
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## Filing Fees

Fee Required? Yes  
Fee Amount: \$100.00  
Retaliatory? No  
Fee Explanation: Rate and rule filing  
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Encompass Indemnity Company	\$100.00	02/26/2007	11713504

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Alexa Grissom	05/24/2007	03/13/2008
Filed	Alexa Grissom	03/01/2007	03/01/2007

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Alexa Grissom	02/27/2007	02/27/2007	SPI AllState	02/27/2007	02/27/2007

### Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Change in Effective Date	Note To Reviewer	SPI AllState	05/22/2007	05/22/2007

<i>SERFF Tracking Number:</i>	<i>ALSX-125115551</i>	<i>State:</i>	<i>Arkansas</i>
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<i>Product Name:</i>	<i>Classic Auto Program</i>		
<i>Project Name/Number:</i>	<i>Rule Filing/AR ER-0469</i>		

## Disposition

Disposition Date: 05/24/2007

Effective Date (New): 08/01/2007

Effective Date (Renewal):

Status: Filed

Comment:

<b>Company Name:</b>	<b>Overall % Rate Impact:</b>	<b>Written Premium Change for this Program:</b>	<b># of Policy Holders Affected for this Program:</b>	<b>Premium:</b>	<b>Maximum % Change (where required):</b>	<b>Minimum % Change (where required):</b>	<b>Overall % Indicated Change:</b>
Encompass Indemnity Company	0.000%	\$0	0	\$455,713	0.000%	0.000%	0.000%

SERFF Tracking Number:	ALSX-125115551	State:	Arkansas
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TOI:	19.0 Personal Auto	Sub-TOI:	19.0004 Other
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Item Type	Item Name	Item Status	Public Access
Supporting Document	State Filing Form 03 (PPA Abstract), AR - Filed RATE FILING ABSTRACT RF-1		Yes
Supporting Document	Uniform Transmittal Document-Property &Filed Casualty		Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Rate	AR Rates 07 07	Filed	Yes
Rate (revised)	AR Rules 07 07	Filed	Yes
Rate	AR Rules 07 07	Filed	Yes

<i>SERFF Tracking Number:</i>	<i>ALSX-125115551</i>	<i>State:</i>	<i>Arkansas</i>
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<i>Product Name:</i>	<i>Classic Auto Program</i>		
<i>Project Name/Number:</i>	<i>Rule Filing/AR ER-0469</i>		

## Disposition

Disposition Date: 03/01/2007

Effective Date (New): 07/01/2007

Effective Date (Renewal):

Status: Filed

Comment:

Rate data does NOT apply to filing.

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Supporting Document	Uniform Transmittal Document-Property &Filed Casualty		Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Rate	AR Rates 07 07	Filed	Yes
Rate (revised)	AR Rules 07 07	Filed	Yes
Rate	AR Rules 07 07	Filed	Yes

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## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 02/27/2007  
Submitted Date 02/27/2007

Respond By Date

Dear Carrie Deppe,

This will acknowledge receipt of the captioned filing.

Please clarify how Rule 13 will read as amended.

Please feel free to contact me if you have questions.

Alexa Grissom is the primary contact for the filing.

Sincerely,

Alexa Grissom

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 02/27/2007  
Submitted Date 02/27/2007

Dear Alexa Grissom,

### Comments:

Response to Objection Letter Dated 2/27/2007

### Response 1

Comments: Alexa,

The tracked changes in the originally filed document were previously approved under filing AR-PC-06-021616 (company filing number AR EC-0295). These tracked changes were inadvertently included in this filing; the only changes we are making to the manual for this filing are the changes that are highlighted. A revised rules manual is attached. I apologize for the inconvenience.

Carrie

### Changed Items:



SERFF Tracking Number:	ALSX-125115551	State:	Arkansas
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No Supporting Documents changed.

No Form Schedule items changed.

#### Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
AR Rules 07 07	AR ER-0469	Replacement	
<b>Previous Version</b>			
AR Rules 07 07	AR ER-0469	Replacement	

Sincerely,  
SPI AllState

*SERFF Tracking Number:*      *ALSX-125115551*      *State:*      *Arkansas*  
*Filing Company:*      *Encompass Indemnity Company*      *State Tracking Number:*      *AR-PC-07-023302*  
*Company Tracking Number:*      *PPAAR0028313R01*  
*TOI:*      *19.0 Personal Auto*      *Sub-TOI:*      *19.0004 Other*  
*Product Name:*      *Classic Auto Program*  
*Project Name/Number:*      *Rule Filing/AR ER-0469*

**Note To Reviewer**

**Created By:**

SPI AllState on 05/22/2007 02:22 PM

**Subject:**

Change in Effective Date

**Comments:**

This filing is being revised to be applicable to all business effective on and after August 1, 2007. I apologize for the inconvenience.

Sincerely,  
Carrie Deppe

SERFF Tracking Number: ALSX-125115551  
Filing Company: Encompass Indemnity Company  
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State: Arkansas  
State Tracking Number: AR-PC-07-023302  
Sub-TOI: 19.0004 Other

## Rate Information

Rate data applies to filing.

<b>Filing Method:</b>	File and Use
<b>Rate Change Type:</b>	Neutral
<b>Overall Percentage of Last Rate Revision:</b>	3.300%
<b>Effective Date of Last Rate Revision:</b>	02/01/2007
<b>Filing Method of Last Filing:</b>	File and Use

## Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):
Encompass Indemnity Company	%	0.000%	\$0	0	\$455,713	0.000%	0.000%

<i>SERFF Tracking Number:</i>	<i>ALSX-125115551</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Encompass Indemnity Company</i>	<i>State Tracking Number:</i>	<i>AR-PC-07-023302</i>
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<i>Product Name:</i>	<i>Classic Auto Program</i>		
<i>Project Name/Number:</i>	<i>Rule Filing/AR ER-0469</i>		

## Rate/Rule Schedule

<b>Review Status:</b>	<b>Exhibit Name:</b>	<b>Rule # or Page #:</b>	<b>Rate Action</b>	<b>Previous State Filing Attachments Number:</b>
Filed	AR Rates 07 07	AR ER-0469	Replacement	AR ER-0469.PDF
Filed	AR Rules 07 07	AR ER-0469	Replacement	AR ER-0469.PDF

## ARKANSAS

### CLASSIC AUTOMOBILE MANUAL LIABILITY RATE PAGE

#### STATEWIDE ANNUAL PREMIUMS

The premiums shown below for Liability, Medical Payments, Uninsured Motorists, and Underinsured Motorists Coverages cover all of the antique, classic, exotic or special interest vehicles owned by any one insured.

##### LIABILITY\*BI/PD

Combined Limit	Premium
\$75,000	\$26
100,000	32
300,000	38
500,000	63
1,000,000	105

\*If a collector motorcycle is written under the policy, BI coverage for any insured or passenger is provided up to the policy's bodily injury liability limit for no additional premium charge.

Split Bodily Injury Limit	Premium	PROPERTY DAMAGE Limit	Premium
\$25/50	\$ 22	25,000	\$3
50/100	26	50,000	5
100/300	32	100,000	7
250/500	41		
500/1,000	90		

#### MEDICAL PAYMENTS INSURANCE, WORK LOSS COVERAGE AND ACCIDENTAL DEATH BENEFIT (Charge per policy)

##### Medical Payments

\$5,000 Statutory Limit Each Person: \$11

##### Work Loss Coverage

Income Earner - \$140 per week for 52 weeks: \$8

Non-Income Earner - \$70 per week for 52 weeks: \$4

Accidental Death Benefit: Limit Each Person \$5,000: \$1

#### MEDICAL PAYMENTS COVERAGE

Limit	Premium
\$1,000	\$1
2,500	2
5,000	3

RATES - 1

CAM

Ed. Date 7/1/07 new & renewal

Deleted: 01/06



**CLASSIC AUTOMOBILE MANUAL  
EXCEPTIONS RULES—ARKANSAS (03)**



## **1. DEFINITIONS**

### **A. The following is added to B. Classic Vehicle:**

The definition of classic vehicle includes a collector motorcycle meeting the classic motor vehicle criteria herein.

A collector motorcycle will be rated as a classic vehicle except:

For collections of two or more motorcycles insured on the same policy whose model years are 1978 or older, the following exception applies:

- Only the highest valued motorcycle is rated as a classic vehicle. The remaining 1978 or older motorcycle(s) is rated as an antique vehicle.

### **B. The following is added to C. Exotic Vehicle:**

An exotic vehicle shall also include a collector motorcycle meeting the criteria set forth herein.

### **C. The following Definition D. is added:**

For purposes of Definitions B. Classic Vehicle and C. Exotic Vehicle described above, a collector motorcycle means a two-wheeled motorized vehicle of the motorbike, motorcycle, moped or motor scooter type designed for travel on public roads, and any sidecar designed for it.

## **5. MINIMUM PREMIUM RULE**

The rule is replaced by the following:

The minimum annual premium charge for all coverages combined shall be \$100.

## **7. CHANGES**

The following is added:

### **E. Adjustments of \$10 or less:**

1. If an outstanding policy is amended and results in a premium adjustment of \$10 or less, the amount:
  - a. will be waived if it is a premium increase, or
  - b. will be retained if it is a premium reduction, however the actual premium reduction shall be returned at the request of the insured.
2. Minimum premium of \$10 applies if an insured requests the following during the policy period:
  - a. additional coverage,





- 
- b. an increase in limits of liability,
  - c. a reduced deductible.
3. Companies need not refund a return premium of less than \$10 if the insured requests the following:
- a. cancellation of coverage,
  - b. reduction of limits of liability,
  - c. increase in deductible,
- except that actual return premium shall be returned at the request of the insured.

## **10. MISCELLANEOUS COVERAGES**

### **A. Uninsured Motorists Coverage**

This rule applies except as follows:

#### **BODILY INJURY**

This form of auto insurance must be afforded at limits not less than the financial responsibility limits under every auto liability policy issued or delivered to the owner of a motor vehicle registered or principally garaged in Arkansas. Attach applicable endorsement.

#### **Exceptions**

- (1) The named insured has the right to reject such coverage in writing.
- (2) After a named insured rejects such coverage, the insurer shall not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.
- (3) The written agreement to reject such coverage shall continue until the rejection is withdrawn in writing by the named insured.

#### **Increased Limits**

If a named insured or applicant purchases liability limits greater than the financial responsibility limits, the insurer shall have available increased limits up to the liability limits on the policy

#### **Exceptions**

- (1) Although the insurer must offer the increased limits to all new business, the requirement for written rejection by the named insured shall be applicable to all new business written on and after January 1, 2000.
- (2) For existing business, insurers shall provide notice to the named insured of the availability of increased limits at the next two renewals commencing March 29, 1999.



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- (3) Where an existing named insured has coverage less than their third party liability limits, that coverage shall not change upon enactment of H.B.1150 unless a named insured requests, in writing to purchase higher limits.

#### PROPERTY DAMAGE

If Bodily Injury Uninsured Motorists Coverage is purchased, the named insured must be offered Property Damage Uninsured Motorists Coverage, subject to a \$200 deductible.

#### Exceptions

- (1) Property Damage Uninsured Motorists limits shall be made available up to the policy's property damage liability limits.
- (2) The named insured has the right to reject Property Damage Uninsured Motorists Coverage in writing.
- (3) After the named insured has rejected such coverage, it need not again be made available in any continuation, renewal, reinstatement, or replacement policy issued by the same insurer unless the insured requests such coverage in writing.
- (4) Whenever a new application is submitted in connection with any renewal, reinstatement, or replacement policy, the provisions of this rule shall apply in the same manner as if a new policy is being issued.

#### Rates

Rates for basic and increased limits coverage are displayed on the rate pages.

#### B. Underinsured Motorists Coverage

Sections 1. and 2. are replaced by the following:

#### Eligibility

1. This form of auto insurance shall be offered in limits at least equal to the Financial Responsibility law limits under every automobile liability insurance policy covering liability arising out of the ownership, maintenance or use of any motor vehicle in Arkansas.

Underinsured Motorists Coverage must be offered for:

- a. All new policies issued on or after July 1, 1993; and
- b. The first renewal on or after January 1, 1994 of all policies in effect prior to July 1, 1993.

#### Exceptions

- (1) If the named insured does not elect Underinsured Motorists Coverage, the coverage must be rejected in writing.

**CLASSIC AUTOMOBILE MANUAL**

(2) This coverage shall not be provided and must be rejected in writing if the named insured has rejected Bodily Injury Uninsured Motorists Coverage.

(3) After a named insured rejects such coverage, the insurer shall not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.

2. If Underinsured Motorists Coverage is provided:

- a. The coverage shall apply to all vehicles insured under the policy.
- b. Uninsured Motorists Coverage and Underinsured Motorists Coverage must be provided at the same limits.
- c. Attach the applicable endorsement at basic or increased limits.

Paragraph C. is added to this rule:

C. Motor Vehicle Accident Prevention Course Discount

LIABILITY, MEDICAL PAYMENTS AND COLLISION

1. The Motor Vehicle Accident Prevention Course Discount applies to the premiums for single limit liability or bodily injury and property damage liability, medical payments, and collision coverages.
2. Private Passenger Autos principally operated by an adult operator (including autos classified under Youthful NON-PRINCIPAL Operator classifications) shall be subject to a Motor Vehicle Accident Prevention Course Discount of 10% provided the adult principal operator of the auto:
  - a. Is age 55 or over, and
  - b. Has a completion certificate, dated within the last 36 months, certifying that the principal operator has successfully completed an approved Motor Vehicle Accident Prevention Course.
3. The 10% Motor Vehicle Accident Prevention Course Discount shall be applied in accordance with the following:
  - a. Only to the auto principally operated by the operator with the course completion certificate.
  - b. Only once to each such auto regardless of the number of operators with course completion certificates.
4. An approved Motor Vehicle Accident Prevention Course shall:
  - a. Be approved by the Arkansas Department of Motor Vehicles, and
  - b. Be taught by an approved instructor, and



- c. Include the minimum hours of classroom and field driving instruction prescribed by the Arkansas Department of Motor Vehicles, and
- d. Shall not be self-instructed.

#### **D. ARKANSAS MEDICAL PAYMENTS INSURANCE, WORK LOSS COVERAGE AND ACCIDENTAL DEATH BENEFIT**

##### **1. Eligibility**

Medical Payments Insurance, Work Loss Coverage and Accidental Death Benefit must be afforded under every auto liability policy issued or delivered to the owner of an auto, motorcycle, motorscooter, motorbike or similar motor vehicle registered or principally garaged in Arkansas.

If one or more of these coverages are afforded, attach the applicable endorsement to the policy.

##### **Exceptions**

- a. The named insured has the right to reject one or more of such coverages in writing and must reject the Statutory Limit of Medical Payments in writing if lower or higher limits are requested.
- b. After the named insured rejects one or more of such coverages, the insurer shall not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.

##### **2. Coverages and Rates**

- a. Medical Payments - This is an optional coverage and the insured is not required to carry this coverage.

###### **(1) Limits**

Statutory Limit per person - \$5,000.

- (a) Lower or higher limits are permitted, only when named insured has rejected the Statutory Limit. This coverage does not apply to an insured injured while occupying any motorized vehicle having fewer than four wheels.
- (b) A maximum limit of \$5,000 applies to pedestrians who are other than the named insured or a relative.
- (c) Basic and Increased Limits of Personal Auto Medical Payments Coverage may be purchased only when the named insured has rejected Arkansas Medical Payments Coverage.



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§ Personal Auto Medical Payments Coverage – The following limits are available: \$1,000; \$2,500; and \$5,000. Please refer to the rate pages for applicable premium.

Refer to the Exceptions to Eligibility above for rejection procedures.

(2) Rates

Use the base rates for Medical Payments Insurance.

b. Work Loss Coverage

(1) Limits

Maximum per person

(a) For an Income Earner - \$140 per week for 52 weeks.

(b) For a Non-Income Earner - \$70 per week for 52 weeks.

(2) Rates are displayed on the rate pages.

c. Accidental Death Benefit

(1) Limits

Maximum per person - \$5,000.

(2) Rates are displayed on the rate pages.

Note

When adding Work Loss Coverage and/or Accidental Death Benefit to outstanding policies:

Charge 10% of the annual rates for each month or part of a month insured, up to a maximum of the rate per car, per year shown on the rate pages.

E. Anti-Theft Device Discount

Homing Device Credit - A 10% credit is available to the vehicle's comprehensive premium if the vehicle is installed with the following system.

The device must meet the following requirements:

1. The device or system is designed to transmit a pulse or signal by which the location of the vehicle in which the device or system is installed may be tracked by those receiving the signal;
2. The device or system is activated or initiated when a vehicle is stolen or reported stolen to police;
3. The pulse or signal either must be transmittable to local and/or state police agencies or to a private central monitoring station which shall have direct communication with the



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local and/or state police agencies for the purpose of reporting, tracking and monitoring the vehicle; and

4. The device or system shall be designed so that information concerning the vehicle's location may be provided to the proper authorities and/or the vehicle's owner or insurer for the purpose of recovering the vehicle.

Refer to Company for required evidence of installation of anti-theft devices prior to granting a discount.

## **12. OPTIONAL COVERAGES**

The following is added:

### **E. Foreign Coverage –Coverage Extension**

Coverage is available for loss or damage to the vehicle while in a foreign country. The Declarations must indicate which vehicle is carrying foreign coverage.

Attach endorsement G1-25629.

### **F. Special Events Coverage**

Physical damage coverage is available for a vehicle used in or at a special driving event. The Racing Schedule of the Declarations must indicate the applicable vehicle, event name, coverage limit, coverage dates, and deductible.

Attach endorsement G1-40004.

### **G. Custom Features**

Coverage for loss or damage to custom features may be limited to \$10,000. The limit for custom features is a part of the total agreed value of the vehicle; it is not an additional limit. Additional custom features coverage may be purchased at a rate of \$1.50 per \$100 of insured value. If purchased, the per vehicle custom features total limit and premium must be indicated in the Declarations.

Attach endorsement G1-40002.

### **H. Loss Payable Clause**

Provides that loss payment will be made as interest appears, to any creditor listed on the Declarations.

Attach endorsement PP 03 05.

### **I. Additional Insured**



**ENCOMPASS**<sup>SM</sup>

**I N S U R A N C E**

Formerly Known as CNA Personal Insurance

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**CLASSIC AUTOMOBILE MANUAL**

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**Written Date: July 1, 2007**

**Page: 8-ARKANSAS (01)**

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Liability coverage is afforded for a person or entity held legally responsible for the acts or omissions of an insured while using his classic auto.

Attach endorsement G1-40022.

**J. Limited Trailer and Paddock Collision Coverage**

Limited collision coverage is afforded to described vehicles while transported by trailer or within the paddock or show display area.

Attach endorsement G1-70193.

**K. Claim History Surcharge**

If the insured has two or more at fault accidents; or one at fault accident resulting in death or payment of bodily injury or property damage policy limits, the policy premium will be surcharged. The accident must have involved a vehicle insured under the Classic Automobile Policy and must have occurred within three years of the Classic Automobile Policy's effective date.

In the event of a chargeable accident on a single vehicle policy, a 20% Claim History Surcharge will be applied to the liability, medical payments, no-fault and physical damage coverages. On a multi-vehicle policy, a 10% surcharge is applied to each vehicle on the policy.

No surcharge is applied for the following:

- a. Not at fault accident; or
- b. Accident resulting from contact with animals or fowl; or caused by flying gravel, missiles, or falling objects.

**L. Business Use**

Coverage is available for a vehicle used for business purposes. Occasionally, an insured uses a classic vehicle for promotional or business purposes. The following information is to be displayed on either the endorsement or declarations: insured, applicable vehicle, coverage dates, and event. A 20% surcharge of the vehicle's annual premium will apply. A minimum charge of \$50 will apply.

Attach endorsement G1-40166

**M. Vehicles Insured Under a Reporting Form**



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When the total value of a classic auto collection fluctuates frequently due to the insured adding or eliminating vehicles from his collection, reporting form is used report these changes.

Attach endorsements G1-70268 and G1-70267.

**N. RESERVED FOR FUTURE USE**

**O. Collector Motorcycle**

If a collector motorcycle is written under the policy attach the Collector motorcycle endorsement. Bodily Injury coverage for any insured or passenger is provided up to the policy's bodily injury liability limit.

G1-70852 Collector Motorcycle Endorsement

**13. DRIVER RATING FACTORS**

Application of these rating factors are used to write a risk that would otherwise be declined due to the age or motor vehicle record of an operator in the household.

**A. Under 30 Years of Age**

A rating factor is applied to the vehicle's annual premium if the named insured is under 30 years of age. The factor is determined as follows:

Age of Named Insured	Rating Factor Applied
26 – 29 years old	1.50
21 - 25 years old	2.00
18 – 20 years old	2.50

**B. Violations**

A rating factor of 1.50 is applied to the vehicle's annual premium when the named insured has 4 minor moving violations; or a total of 6 minor moving violations for all household operators.



SERFF Tracking Number:	ALSX-125115551	State:	Arkansas
Filing Company:	Encompass Indemnity Company	State Tracking Number:	AR-PC-07-023302
Company Tracking Number:	PPAAR0028313R01		
TOI:	19.0 Personal Auto	Sub-TOI:	19.0004 Other
Product Name:	Classic Auto Program		
Project Name/Number:	Rule Filing/AR ER-0469		

## Supporting Document Schedules

<b>Satisfied -Name:</b>	State Filing Form 03 (PPA Abstract), AR - RATE FILING ABSTRACT RF-1	<b>Review Status:</b>	Filed	03/01/2007
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### Comments:

Filing Forms

### Attachments:

State Filing Form 03 (PPA Abstract).PDF  
AR - RATE FILING ABSTRACT RF-1.PDF

<b>Satisfied -Name:</b>	Uniform Transmittal Document-Property & Casualty	<b>Review Status:</b>	Filed	03/01/2007
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### Comments:

### Attachments:

AR - NAIC P&C TRANSMITTAL DOCUMENT.PDF  
AR - NAIC RATE RULE FILING SCHEDULE.PDF

<b>Bypassed -Name:</b>	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	<b>Review Status:</b>	Filed	03/01/2007
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**Bypass Reason:** Not applicable

### Comments:

<b>Bypassed -Name:</b>	NAIC loss cost data entry document	<b>Review Status:</b>	Filed	03/01/2007
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**Bypass Reason:** Not applicable

### Comments:

ARKANSAS INSURANCE DEPARTMENT

FORM A-1 PRIVATE PASSENGER AUTOMOBILE ABSTRACT

Instructions: All questions must be answered. If the answer is "none" or "Not applicable, so state. If all questions are not answered, the filing will not be accepted for review by the Department. Use a separate abstract for each company if filing for a group. Subsequent private passenger auto rate/rule submissions that do not alter the information contained herein need not include this form.

Company Name Encompass Indemnity Company  
NAIC # (including group #) 008-15130

1. Are there any areas in the State of Arkansas in which your company will not write automobile insurance? ☐ Yes ☒ No

If yes, list the areas: \_\_\_\_\_

2. Do you furnish a market for young drivers? ☒ Yes ☐ No

3. Do require collateral business to support a youthful driver? ☐ Yes ☒ No

4. Do you insure drivers with an international or foreign driver's license? ☒ Yes ☐ No

5. Specify the percentage you allow in credit or discounts for the following:

- |                            |    |   |
|----------------------------|----|---|
| +a. Driver over 55         | 10 | % |
| b. Good Student Discount   | 10 | % |
| c. Multi-car Discount      |    | % |
| d. Accident Free Discount* |    | % |

Please Specify Qualification for Discount:

- |                        |    |   |
|------------------------|----|---|
| e. Anti-Theft Discount | 10 | % |
| f. Other (specify)     |    | % |
|                        |    | % |
|                        |    | % |
|                        |    | % |

6. Do you have an installment payment plan for automobile insurance? ☐ Yes ☒ No  
If so, what is the fee for installment payments?

7. Does your company utilize a tiered rating plan? ☐ Yes ☒ No

If so, list the programs and percentage difference and current volume for each plan:

Program	Percentage Difference	Volume
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THE INFORMATION PROVIDED IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



Signature

Carrie M. Deppe

Printed Name

Assistant State Filings Manager

Title

847-402-2774 Ext. 22774

Telephone Number

cdepp@allstate.com

Email address



# FORM RF-1 Rate Filing Abstract NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	PPAAR0028313R01
2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	

		Company Name		Company NAIC Number
3.	A.	Encompass Indemnity Company	B.	008-15130

		Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
4.	A.	19.0 Personal Auto	B.	19.0004 Other

5.							
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
TOTAL OVERALL EFFECT							

6. 5 Year History Rate Change History							
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2007	1600	3.3	2/1/07	412353	43749	10.6	33.85
2006		0	1/2/06				

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	
B. General Expense	
C. Taxes, License & Fees	
D. Underwriting Profit & Contingencies	
E. Other (explain)	
F. TOTAL	

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9.          Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): 0
10.          Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): 0

**Property & Casualty Transmittal Document (Revised 1/1/06)**

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b> a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">New Business</div> <div style="width: 45%;"></div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">Renewal Business</div> <div style="width: 45%;"></div> </div> f. State Filing #: g. SERFF Filing #: h. Subject Codes
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<b>3.</b>	<b>Group Name</b>	<b>Group NAIC #</b>
	Allstate	008

4.	Company Name(s)	Domicile	NAIC #	FEIN #
	Encompass Indemnity Company	IL	15130	59-2366357

<b>5. Company Tracking Number</b>	AR ER-0469
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**Contact Info of Filer(s) or Corporate Officer(s)** [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Carrie M. Deppe 2775 Sanders Road, Suite A5 Northbrook IL 60062	Assistant State Filings Manager	800-366-2958 Ext. 22774	847-402-9757	cdepp@allstate.com

<b>7.</b>	Signature of authorized filer	
<b>8.</b>	Please print name of authorized filer	Carrie M. Deppe

**Filing Information** (see General Instructions for descriptions of these fields)

<b>9.</b>	Type of Insurance (TOI)	19.0 Personal Auto
<b>10.</b>	Sub-Type of Insurance (Sub-TOI)	19.0004 Other
<b>11.</b>	State Specific Product code(s) (if applicable) [See State Specific Requirements]	
<b>12.</b>	Company Program Title (Marketing Title)	Classic Auto Program
<b>13.</b>	Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input checked="" type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
<b>14.</b>	Effective Date(s) Requested	New: 07/01/2007      Renewal: 07/01/2007
<b>15.</b>	Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>16.</b>	Reference Organization (if applicable)	Not Applicable
<b>17.</b>	Reference Organization # & Title	Not Applicable
<b>18.</b>	Company's Date of Filing	2/26/2007
<b>19.</b>	Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

## Property & Casualty Transmittal Document

20.	<b>This filing transmittal is part of Company Tracking #</b>	AR ER-0469
21.	<b>Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]	

With this filing, we are submitting various manual rule revisions and rate introductions for new increased limits.

The Encompass Indemnity Company would like to file the following manual rule revisions.

### RULE REVISION

State Exception Manual Rule 10.D.2 is revised to state that this coverage does not apply to an insured while occupying any motorized vehicle having fewer than four wheels.

Additionally, Medical Payment Coverage limits of \$1,000; \$2,500; and \$5,000 are being introduced.

### RATE REVISION

Rate page, RATES - 1, is revised to introduce rates for medical payment limits of \$1,000; \$2,500; and \$5,000.

22.	<b>Filing Fees</b> (Filer must provide check # and fee amount if applicable.) [If a state requires you to show how you calculated your filing fees, place that calculation below]
<p><b>Check #:</b> N/A. Fee paid via Electronic Funds Transfer <b>Amount:</b> \$100</p> <p>Rate and rule filing</p> <p><b>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</b></p>	

\*\*\*Refer to each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

**RATE/RULE FILING SCHEDULE**

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

**(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)**

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	AR ER-0469
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<b>2.</b>	<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	N/A
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☐ Rate Increase
 ☐ Rate Decrease
 ☒ Rate Neutral (0%)

<b>3.</b>	<b>Filing Method (Prior Approval, File &amp; Use, Flex Band, etc.)</b>	File and Use
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<b>4a.</b>	<b>Rate Change by Company (As Proposed)</b>					
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Company Name	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
Encompass Indemnity Company	0.0%	0	0	455713		

<b>4b.</b>	<b>Rate Change by Company (As Accepted) For State Use Only</b>					
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Company Name	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change	Minimum % Change

<b>5. Overall Rate Information (Complete for Multiple Company Filings only)</b>			
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		COMPANY USE	STATE USE
<b>5a.</b>	<b>Overall percentage rate impact for this filing</b>		
<b>5b.</b>	<b>Effect of Rate Filing – Written premium change for this program</b>		
<b>5c.</b>	<b>Effect of Rate Filing - Number of policyholders affected</b>		

<b>6.</b>	<b>Overall percentage of last revision</b>	3.3
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<b>7.</b>	<b>Effective Date of last rate revision</b>	02/01/2007
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<b>8.</b>	<b>Filing Method of Last filing</b> (Prior Approval, File & Use, Flex Band, etc.)	File and Use
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<b>9.</b>	<b>Rule # or Page # Submitted for Review</b>	<b>Replacement or withdrawn?</b>	<b>Previous state filing number, if required by state</b>
01	State Exception Manual Rule Pages 1-9	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02	Rate Page 1	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

<i>SERFF Tracking Number:</i>	<i>ALSX-125115551</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Encompass Indemnity Company</i>	<i>State Tracking Number:</i>	<i>AR-PC-07-023302</i>
<i>Company Tracking Number:</i>	<i>PPAAR0028313R01</i>		
<i>TOI:</i>	<i>19.0 Personal Auto</i>	<i>Sub-TOI:</i>	<i>19.0004 Other</i>
<i>Product Name:</i>	<i>Classic Auto Program</i>		
<i>Project Name/Number:</i>	<i>Rule Filing/AR ER-0469</i>		

## Superseded Attachments

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

<b>Original Date:</b>	<b>Schedule</b>	<b>Document Name</b>	<b>Replaced Date</b>	<b>Attach Document</b>
No original date	Rate and Rule	AR Rules 07 07	02/26/2007	AR ER-0469.PDF



**CLASSIC AUTOMOBILE MANUAL  
EXCEPTIONS RULES—ARKANSAS (03)**

## 1. DEFINITIONS

A. The following is added to B. Classic Vehicle:

The definition of classic vehicle includes a collector motorcycle meeting the classic motor vehicle criteria herein.

A collector motorcycle will be rated as a classic vehicle except:

For collections of two or more motorcycles insured on the same policy whose model years are 1978 or older, the following exception applies:

- Only the highest valued motorcycle is rated as a classic vehicle. The remaining 1978 or older motorcycle(s) is rated as an antique vehicle.

B. The following is added to C. Exotic Vehicle:

An exotic vehicle shall also include a collector motorcycle meeting the criteria set forth herein.

C. The following Definition D. is added:

For purposes of Definitions B. Classic Vehicle and C. Exotic Vehicle described above, a collector motorcycle means a two-wheeled motorized vehicle of the motorbike, motorcycle, moped or motor scooter type designed for travel on public roads, and any sidecar designed for it.

## 5. MINIMUM PREMIUM RULE

The rule is replaced by the following:

The minimum annual premium charge for all coverages combined shall be \$100.

## 7. CHANGES

The following is added:

E. Adjustments of \$10 or less:

1. If an outstanding policy is amended and results in a premium adjustment of \$10 or less, the amount:

Deleted: 5

- a. will be waived if it is a premium increase, or
- b. will be retained if it is a premium reduction, however the actual premium reduction shall be returned at the request of the insured.

2. Minimum premium of \$10 applies if an insured requests the following during the policy period:

- a. additional coverage,

- b. an increase in limits of liability,
- c. a reduced deductible.

3. Companies need not refund a return premium of less than \$10 if the insured requests the following:

- a. cancellation of coverage,
- b. reduction of limits of liability,
- c. increase in deductible,

except that actual return premium shall be returned at the request of the insured.

## **10. MISCELLANEOUS COVERAGES**

### **A. Uninsured Motorists Coverage**

This rule applies except as follows:

#### **BODILY INJURY**

This form of auto insurance must be afforded at limits not less than the financial responsibility limits under every auto liability policy issued or delivered to the owner of a motor vehicle registered or principally garaged in Arkansas. Attach applicable endorsement.

#### **Exceptions**

- (1) The named insured has the right to reject such coverage in writing.
- (2) After a named insured rejects such coverage, the insurer shall not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.
- (3) The written agreement to reject such coverage shall continue until the rejection is withdrawn in writing by the named insured.

#### **Increased Limits**

If a named insured or applicant purchases liability limits greater than the financial responsibility limits, the insurer shall have available increased limits up to the liability limits on the policy

#### **Exceptions**

- (1) Although the insurer must offer the increased limits to all new business, the requirement for written rejection by the named insured shall be applicable to all new business written on and after January 1, 2000.
- (2) For existing business, insurers shall provide notice to the named insured of the availability of increased limits at the next two renewals commencing March 29, 1999.

- 
- (3) Where an existing named insured has coverage less than their third party liability limits, that coverage shall not change upon enactment of H.B.1150 unless a named insured requests, in writing to purchase higher limits.

**PROPERTY DAMAGE**

If Bodily Injury Uninsured Motorists Coverage is purchased, the named insured must be offered Property Damage Uninsured Motorists Coverage, subject to a \$200 deductible.

**Exceptions**

- (1) Property Damage Uninsured Motorists limits shall be made available up to the policy's property damage liability limits.
- (2) The named insured has the right to reject Property Damage Uninsured Motorists Coverage in writing.
- (3) After the named insured has rejected such coverage, it need not again be made available in any continuation, renewal, reinstatement, or replacement policy issued by the same insurer unless the insured requests such coverage in writing.
- (4) Whenever a new application is submitted in connection with any renewal, reinstatement, or replacement policy, the provisions of this rule shall apply in the same manner as if a new policy is being issued.

**Rates**

Rates for basic and increased limits coverage are displayed on the rate pages.

**B. Underinsured Motorists Coverage**

Sections 1. and 2. are replaced by the following:

**Eligibility**

1. This form of auto insurance shall be offered in limits at least equal to the Financial Responsibility law limits under every automobile liability insurance policy covering liability arising out of the ownership, maintenance or use of any motor vehicle in Arkansas.

Underinsured Motorists Coverage must be offered for:

- a. All new policies issued on or after July 1, 1993; and
- b. The first renewal on or after January 1, 1994 of all policies in effect prior to July 1, 1993.

**Exceptions**

- (1) If the named insured does not elect Underinsured Motorists Coverage, the coverage must be rejected in writing.

- 
- (2) This coverage shall not be provided and must be rejected in writing if the named insured has rejected Bodily Injury Uninsured Motorists Coverage.
  - (3) After a named insured rejects such coverage, the insurer shall not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.
2. If Underinsured Motorists Coverage is provided:
- a. The coverage shall apply to all vehicles insured under the policy.
  - b. Uninsured Motorists Coverage and Underinsured Motorists Coverage must be provided at the same limits.
  - c. Attach the applicable endorsement at basic or increased limits.

Paragraph C. is added to this rule:

C. Motor Vehicle Accident Prevention Course Discount

LIABILITY, MEDICAL PAYMENTS AND COLLISION

- 1. The Motor Vehicle Accident Prevention Course Discount applies to the premiums for single limit liability or bodily injury and property damage liability, medical payments, and collision coverages.
- 2. Private Passenger Autos principally operated by an adult operator (including autos classified under Youthful NON-PRINCIPAL Operator classifications) shall be subject to a Motor Vehicle Accident Prevention Course Discount of 10% provided the adult principal operator of the auto:
  - a. Is age 55 or over, and
  - b. Has a completion certificate, dated within the last 36 months, certifying that the principal operator has successfully completed an approved Motor Vehicle Accident Prevention Course.
- 3. The 10% Motor Vehicle Accident Prevention Course Discount shall be applied in accordance with the following:
  - a. Only to the auto principally operated by the operator with the course completion certificate.
  - b. Only once to each such auto regardless of the number of operators with course completion certificates.
- 4. An approved Motor Vehicle Accident Prevention Course shall:
  - a. Be approved by the Arkansas Department of Motor Vehicles, and
  - b. Be taught by an approved instructor, and

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**CLASSIC AUTOMOBILE MANUAL**

- c. Include the minimum hours of classroom and field driving instruction prescribed by the Arkansas Department of Motor Vehicles, and
- d. Shall not be self-instructed.

**D. ARKANSAS MEDICAL PAYMENTS INSURANCE, WORK LOSS COVERAGE AND ACCIDENTAL DEATH BENEFIT**

**1. Eligibility**

Medical Payments Insurance, Work Loss Coverage and Accidental Death Benefit must be afforded under every auto liability policy issued or delivered to the owner of an auto, motorcycle, motorscooter, motorbike or similar motor vehicle registered or principally garaged in Arkansas.

If one or more of these coverages are afforded, attach the applicable endorsement to the policy.

**Exceptions**

- a. The named insured has the right to reject one or more of such coverages in writing and must reject the Statutory Limit of Medical Payments in writing if lower or higher limits are requested.
- b. After the named insured rejects one or more of such coverages, the insurer shall not be required to notify any insured in any renewal, reinstatement, substitute, amended, or replacement policy as to the availability of such coverage.

**2. Coverages and Rates**

- a. Medical Payments - This is an optional coverage and the insured is not required to carry this coverage.

**(1) Limits**

Statutory Limit per person - \$5,000.

- (a) Lower or higher limits are permitted, only when named insured has rejected the Statutory Limit. This coverage does not apply to an insured injured while occupying any motorized vehicle having fewer than four wheels.
- (b) A maximum limit of \$5,000 applies to pedestrians who are other than the named insured or a relative.
- (c) Basic and Increased Limits of Personal Auto Medical Payments Coverage may be purchased only when the named insured has rejected Arkansas Medical Payments Coverage.

§ Personal Auto Medical Payments Coverage – The following limits are available: \$1,000; \$2,500; and \$5,000. Please refer to the rate pages for applicable premium.

Refer to the Exceptions to Eligibility above for rejection procedures.

(2) Rates

Use the base rates for Medical Payments Insurance.

b. Work Loss Coverage

(1) Limits

Maximum per person

(a) For an Income Earner - \$140 per week for 52 weeks.

(b) For a Non-Income Earner - \$70 per week for 52 weeks.

(2) Rates are displayed on the rate pages.

c. Accidental Death Benefit

(1) Limits

Maximum per person - \$5,000.

(2) Rates are displayed on the rate pages.

Note

When adding Work Loss Coverage and/or Accidental Death Benefit to outstanding policies:

Charge 10% of the annual rates for each month or part of a month insured, up to a maximum of the rate per car, per year shown on the rate pages.

E. Anti-Theft Device Discount

✓ Homing Device Credit - A 10% credit is available to the vehicle's comprehensive premium if the vehicle is installed with the following system.

Deleted: LoJack/

The device must meet the following requirements:

1. The device or system is designed to transmit a pulse or signal by which the location of the vehicle in which the device or system is installed may be tracked by those receiving the signal;
2. The device or system is activated or initiated when a vehicle is stolen or reported stolen to police;
3. The pulse or signal either must be transmittable to local and/or state police agencies or to a private central monitoring station which shall have direct communication with the

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local and/or state police agencies for the purpose of reporting, tracking and monitoring the vehicle; and

4. The device or system shall be designed so that information concerning the vehicle's location may be provided to the proper authorities and/or the vehicle's owner or insurer for the purpose of recovering the vehicle.

Refer to Company for required evidence of installation of anti-theft devices prior to granting a discount.

## **12. OPTIONAL COVERAGES**

The following is added:

**E. Foreign Coverage –Coverage Extension**

Coverage is available for loss or damage to the vehicle while in a foreign country. The Declarations must indicate which vehicle is carrying foreign coverage.

Attach endorsement G1-25629.

**F. Special Events Coverage**

Physical damage coverage is available for a vehicle used in or at a special driving event. The Racing Schedule of the Declarations must indicate the applicable vehicle, event name, coverage limit, coverage dates, and deductible.

Attach endorsement G1-40004.

**G. Custom Features**

Coverage for loss or damage to custom features may be limited to \$10,000. The limit for custom features is a part of the total agreed value of the vehicle; it is not an additional limit. Additional custom features coverage may be purchased at a rate of \$1.50 per \$100 of insured value. If purchased, the per vehicle custom features total limit and premium must be indicated in the Declarations.

Attach endorsement G1-40002.

**H. Loss Payable Clause**

Provides that loss payment will be made as interest appears, to any creditor listed on the Declarations.

Attach endorsement PP 03 05.

**I. Additional Insured**



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Liability coverage is afforded for a person or entity held legally responsible for the acts or omissions of an insured while using his classic auto.

Attach endorsement G1-40022.

**J. Limited Trailer and Paddock Collision Coverage**

Limited collision coverage is afforded to described vehicles while transported by trailer or within the paddock or show display area.

Attach endorsement G1-70193.

**K. Claim History Surcharge**

If the insured has two or more at fault accidents; or one at fault accident resulting in death or payment of bodily injury or property damage policy limits, the policy premium will be surcharged. The accident must have involved a vehicle insured under the Classic Automobile Policy and must have occurred within three years of the Classic Automobile Policy's effective date.

In the event of a chargeable accident on a single vehicle policy, a 20% Claim History Surcharge will be applied to the liability, medical payments, no-fault and physical damage coverages. On a multi-vehicle policy, a 10% surcharge is applied to each vehicle on the policy.

No surcharge is applied for the following:

- a. Not at fault accident; or
- b. Accident resulting from contact with animals or fowl; or caused by flying gravel, missiles, or falling objects.

**L. Business Use**

Coverage is available for a vehicle used for business purposes. Occasionally, an insured uses a classic vehicle for promotional or business purposes. The following information is to be displayed on either the endorsement or declarations: insured, applicable vehicle, coverage dates, and event. A 20% surcharge of the vehicle's annual premium will apply. A minimum charge of \$50 will apply.

Attach endorsement G1-40166

**M. Vehicles Insured Under a Reporting Form**

When the total value of a classic auto collection fluctuates frequently due to the insured adding or eliminating vehicles from his collection, reporting form is used report these changes.

Attach endorsements G1-70268 and G1-70267.

N. RESERVED FOR FUTURE USE

O. Collector Motorcycle

If a collector motorcycle is written under the policy attach the Collector motorcycle endorsement. Bodily Injury coverage for any insured or passenger is provided up to the policy's bodily injury liability limit.

G1-70852 Collector Motorcycle Endorsement

**13. DRIVER RATING FACTORS**

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Application of these rating factors are used to write a risk that would otherwise be declined due to the age or motor vehicle record of an operator in the household.

A. Under 30 Years of Age

A rating factor is applied to the vehicle's annual premium if the named insured is under 30 years of age. The factor is determined as follows:

Age of Named Insured	Rating Factor Applied
26 – 29 years old	1.50
21 - 25 years old	2.00
18 – 20 years old	2.50

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B. Violations

A rating factor of 1.50 is applied to the vehicle's annual premium when the named insured has 4 minor moving violations; or a total of 6 minor moving violations for all household operators.

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Deleted: 4, 5, or